

Message Text

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PAGE 01 MANILA 02721 041230Z

44

ACTION EA-10

INFO OCT-01 ISO-00 XMB-02 INT-05 AID-05 CIAE-00 COME-00

EB-07 FRB-03 INR-07 NSAE-00 TRSE-00 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 /052 W

----- 009707

R 070945Z MAR 75

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 1043

INFO AMCONSUL HONG KONG

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PASS EXIM

E.O. 11652: N/A

TAGS: EFIN, RP

SUBJECT: MARINDUQUE NICKEL PROJECT

REF: A. STATE 25602; B. MANILA 2005

1. PHILIPPINE FINANCE SECRETARY CESAR VIRATA INFORMED JOHN CLARK, EXIM BANK DIRECTOR, DURING COURSE LATTER'S FEB 26-28 VISIT TO MANILA THAT MARINDUQUE HAD BEEN SUCCESSFUL IN ITS EFFORTS RAISE ADDITIONAL WORKING CAPITAL AND DEFER REPAYMENTS SCHEDULED DURING 1975 AND 1976. VIRATA THANKED EXIM FOR EXTENDING ITS GUARANTY TO BANKERS TRUST AND CONFIRMED THAT GOP WOULD DEFER ITS ROYALTIES ON PROJECT UNTIL DECEMBER 31, 1979. VIRATA SAID GOP INTENDED COLLECT DEFERRED ROYALTIES WITH INTEREST AT LATER DATE.

2. CLARK WAS INFORMED BY JESUS CABARRUS, MARINDUQUE PRESIDENT, DURING LATER MEETING THAT NEW FINANCING ARRANGEMENTS WERE NECESSARY TO PROVIDE PROJECT WITH LARGER VOLUME OF OWRKING CAPITAL THAN HAD BEEN ANTICIPATED PRIOR TO RISE IN PRICES OF PETROLEUM AND OTHER RAW MATERIALS. CABARRUS SAID COST OVERRUN HAD NOT

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BEEN A SIGNIFICANT FACTOR IN SQUEEZE ON FIRM'S WORKING

CAPITAL. HE SAID THIS SQUEEZE MIGHT HAVE BEEN OVERCOME
WITH EARNINGS FROM MARINDUQUE'S COPPER OPERATION WERE IT
NOT FOR THE RECENT DECLINE IN COPPER PRICE; PRODUCTION HAD
BEGUN AT PROJECT AND THAT FULL SCALE PRODUCTION WAS
EXPECTED AS SOON AS REMAINING MACHANICAL PROBLEMS WITH
START UP WERE STRAIGHTENED OUT. HE SAID GROSS ANNUAL
FOREIGN EXCHANGE EARNINGS OF PROJECT AT PRODUCTION LEVEL
ANTICIPATED WOULD BE \$100 MILLION.
SULLIVAN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NICKEL, BANK LOANS, INDUSTRIAL PLANTS, DEBT AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 07 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975MANILA02721
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750075-0554
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750372/aaaacncn.tel
Line Count: 70
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 25602, 75 MANILA 2005
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 11 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 JUL 2003 by CunninFX>; APPROVED <17 NOV 2003 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MARINDUQUE NICKEL PROJECT
TAGS: EFIN, RP, MARINDUQUE MINING & IND CORP, XMB
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006